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Budget and Accounting Changes

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Introductions

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Handouts and PowerPoint:

http://sao.georgia.gov → PeopleSoft Upgrade → Presentations

Agenda

- Changes to PeopleSoft Chartfields
- Chart of Account Values and Uses
  - Program
  - Fund
  - Class
  - Account
- Streamlined Banking and Allotments
- Timeline

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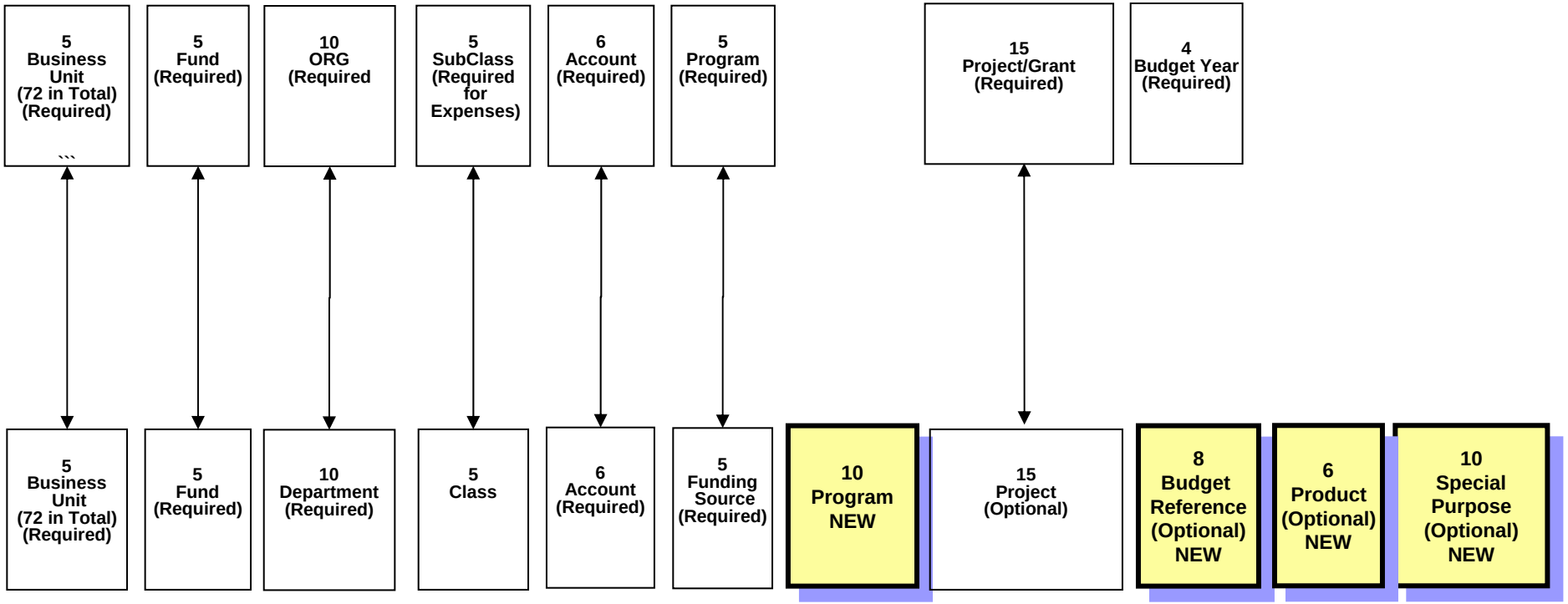
Changes to PeopleSoft Chartfields

Chart of Accounts Structure

7.02 Chartfields



8.8 Chartfields

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Chart of Account Values and Uses

Chart of Account Values and Uses

Program

Program

Program Codes

Use	Benefits of Change
❑ Use to perform Program Budgeting. ❑ Maps to Program/subprogram identified in the by OPB	❑ Compliance with Program Budgeting ❑ Eliminates the need for agencies to account for Program data in other Chartfields ❑ PeopleSoft reporting now possible at the Program level with the use of this Chartfield
	Impact of Change on Agencies
	❑ Enables agencies to capture and report on information that is Program specific ❑ State standard for data sharing and used between OPB and SAO ❑ Statewide data standardization

Budget and Accounting Changes

Program

- The Program - Sub-program relationship is defined within the Program Code
  - The first 5 numeric characters identify the Program
  - The next 2 numeric characters identify the Sub-program

- Ex: Program (1st 5 numbers) Sub-program (next 2 numbers)

00001	_ _ _ _ _01 - 99
00002	_ _ _ _ _01 - 99
00003	_ _ _ _ _01 - 99

- Budget and expense entered at the Sub-program level
- Budgetary control is at the Program and Fund Source level

Budget and Accounting Changes

Example: Department of Education

Program Name	Sub-program	Number
Academic Coach		1562800
	Academic Coach	1562801
Agriculture Education		1560100
	Extended Day/Year	1560101
	Youth Camps	1560102
	Young Farmers	1560103
	Agriculture Industry Certification	1560104

Both Values in PS. SAO will create rollup values when needed

Only value in BudgetNet

All numbers in both BudgetNet and PeopleSoft

Program

- The list of Program numbers provided today are mapped to the FY06 structure

- The most current list of Program numbers will be maintained on the OPB BudgetNet home page
  - This list will be available in the next few weeks
  - The list will be updated with any additional FY07 numbers after the Appropriation Act is signed into law

Program Maintenance

- Process
  - Agencies submit new Program requests to OPB
  - OPB assigns Program numbers and adds values to BudgetNet
  - SAO enters Program Chartfield values into PeopleSoft

- Guidelines
  - Appropriated Programs can only change through the appropriations process
  - OPB can facilitate restructuring Sub-programs within a Program as part of AOB set up
  - OPB maintains a program structure for all non-appropriated Agencies and Authorities
  - OPB maintains the Program/Sub-program list and any changes to Programs/Sub-programs must be approved by the OPB analyst and OPB Division Director
  - Any changes to Program structure will require the agency to load the data for the new Programs
  - Temporary Program number(s) can be established during budget development

Handout - Program

Chart of Account Values and Uses

Fund

Fund

Fund

Use	Benefits of Change
❑ Use Fund Chartfield to define separate business activities where separate assets, liabilities, fund balances, revenues, expenditures, and inter-unit transfers need to be tracked separately ❑ Will remain a balancing Chartfield ❑ Agencies continue to participate in multiple funds	❑ Enables fund reporting across business unit ❑ Allow GAAP reporting of funds and fund-types across business units
	Impact of Change on Agencies
	❑ Appropriation captured by Program ❑ Fund Chartfield expanded to include individual funds that describe specific activities ❑ Sub-funds established to enable divisions within fund, as well as information roll-ups

Fund

Numbering System

- Loosely based on current numbering structure for GAAP Funds

GAAP Fund (roll-up)	**Old**	**New**
General Fund	1	10000
Capital Projects Fund	5	50000
Agency Funds	6	60000

Fund

Sub-funds

- Accounting takes place at a lower level than "roll-up" Fund

General Fund	Statewide Total	10000
	General Fund budgetary operations	10010
	Revenue Collections	10050
Agency Funds	Statewide Total	60000
	Various individual funds	63001
	(defined statewide – no two	63002
	agencies will use same Fund #)	63003

Handout - Fund

Chart of Account Values and Uses

Class

Class

Class

Use	Benefits
❑ Will still be used to identify common and unique object classes	❑ Aggregates expenditure detail within a defined group of accounts ❑ Enables budgetary control over a group of accounts ❑ High level view of Agency spending
	Impact on Agencies
	❑ Accounts are being mapped to Class ❑ OPB and SAO are studying the future elimination of Unique object classes

Handout - Class

Class Chartfield

- Changes for FY 2007

Current		FY 2007
Travel	→	New Account in ROE
Per Diem and Fees	→	Combine with Contracts
Contracts	→	Contractual Services
Computer Charges	→	Computer Charges/IT Expenses
Telecommunications	→	Voice and Data Communications
		New Classes – Transfers – Grants and Benefits

Looking ahead to FY 2008-eliminate unique object classes and restructure capital and IT expenses

Chart of Account Values and Uses

Account

Account

Account

Use	Benefits of Change
❑ Identify what is purchased (commodity or service) ❑ Use as designed and as currently implemented at the State with centralized control ❑ Future goal is to eliminate Unique Object Classes ❑ New Accounts for capturing IT expenditures ❑ Future goal is to reduce number of Accounts	❑ Consistency of application facilitates enterprise-level reporting at the Account Chartfield level
	Impact of Change on Agencies
	❑ Accounts are now mapped to common Object Classes

Handout - Accounts

Account

List of Changes / New Codes

- Starting in FY07 some Accounts will no longer be used from a policy perspective
- No Accounts currently in use will be de-activated
- Biggest change – numbering scheme and definitions for IT expenditures
- Relationship of Account to Class

Future of Class and Account

- Eliminate Unique Object Class
- More precise policies, procedures, and definitions around use of Account values
- Meaningful Accounts to better meet business objectives

Chart Account Values & Usage

Because of the new Chartfields and values – what do I need to be thinking about and preparing for?

- Accounting and Budget personnel at all levels need to be made aware of the new and changed numbers
  - Updating forms used for data entry
  - Processes for distributing costs (overhead etc)
  - Training (internal to your organization)
- Impact on sub-systems (interfaces)
- FY07 AOB Submission
- FY07 Reporting financial data to SAO

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Streamlined Banking

Streamlined Banking

Benefits

- Reduce number of bank accounts
  - Currently 1,471 distribution accounts
  - 259 operating accounts
  - 111 payroll accounts
  - 201 trust accounts
  - Other accounts+
- Reduce checks written between agencies
- Increase investment earnings $2.4 M to $5.5 M
- Reduce bank fees $600,000 to $ 1 M
- Reduce workload and duplication of efforts
- Record state revenue single time
- Improve internal controls
- Improve statewide tax reporting

Budget and Accounting Changes

Streamlined Banking

- Phased rollout after Go-Live
- Currently working with a pilot group of agencies to validate “to be” model

Pilot Agencies	Agencies Participating in Requirements Analysis
Administrative Services	Technical and Adult Education
State Accounting Office	Human Resources
Audits and Accounts	Natural Resources
Pardons and Parole	Revenue
Banking and Finance	Superior Court
	Driver Services
	Office of Planning and Budgeting

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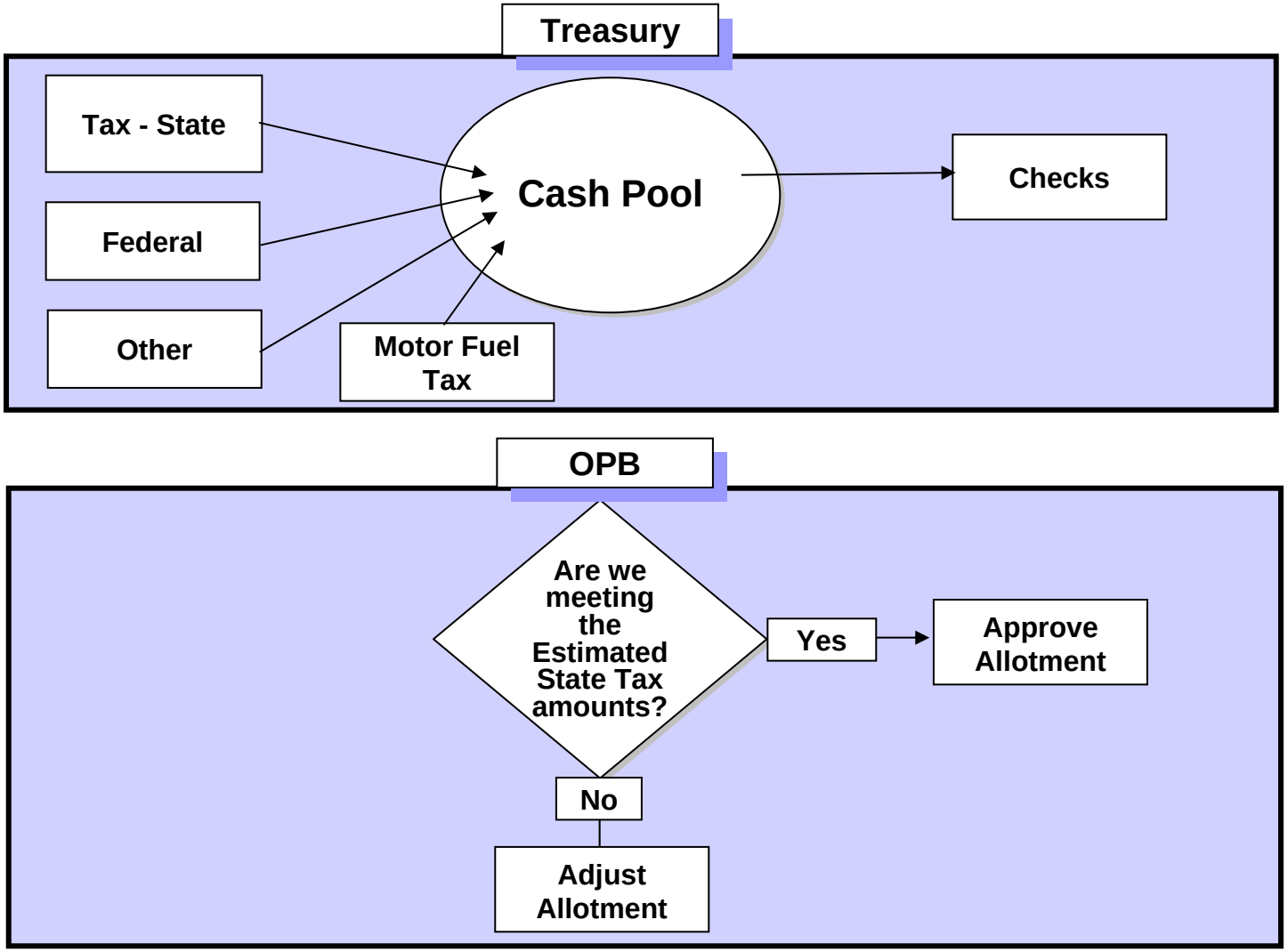
Allotment Process to Compliment Streamlined Banking

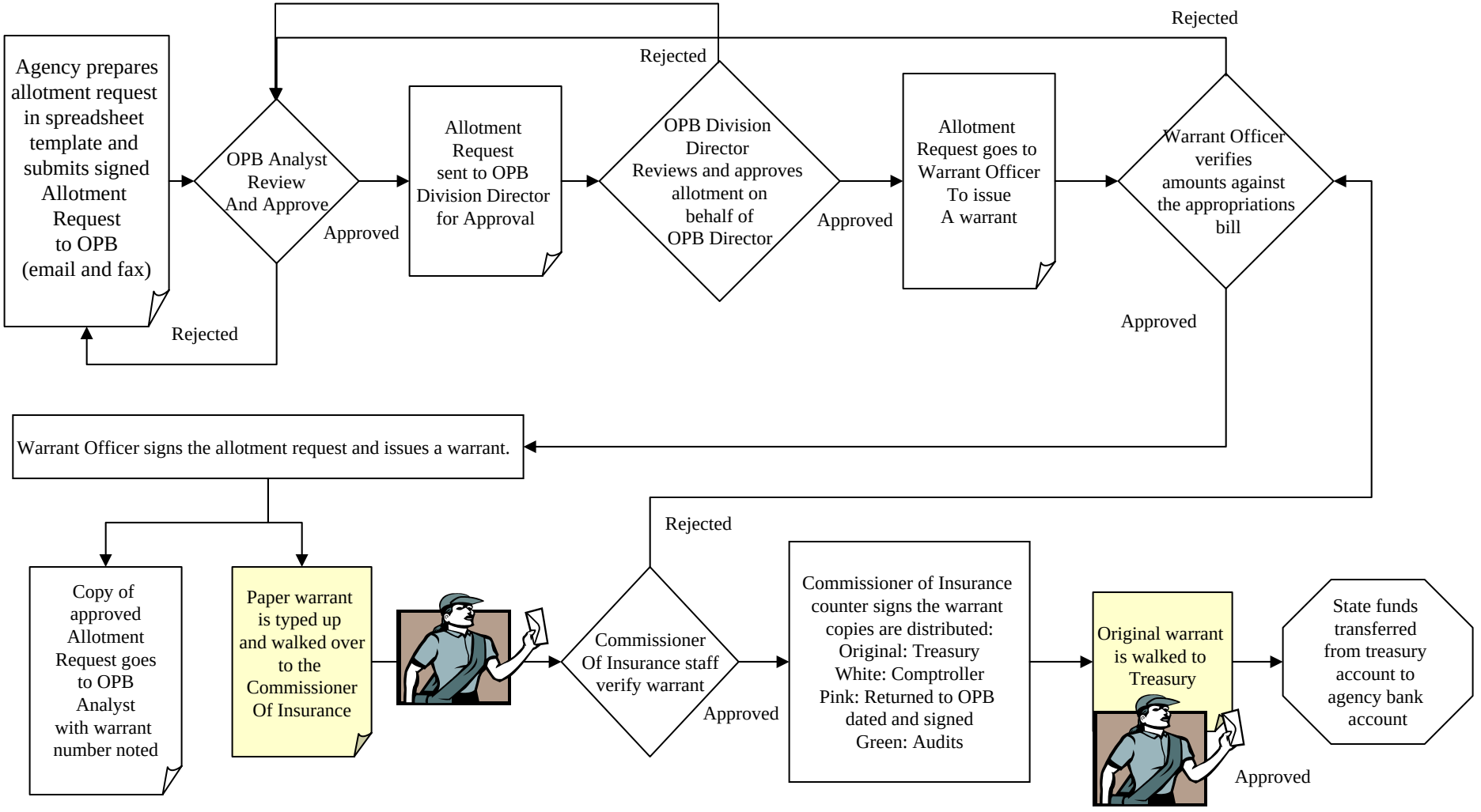
Budget and Accounting Changes

Allotment Process



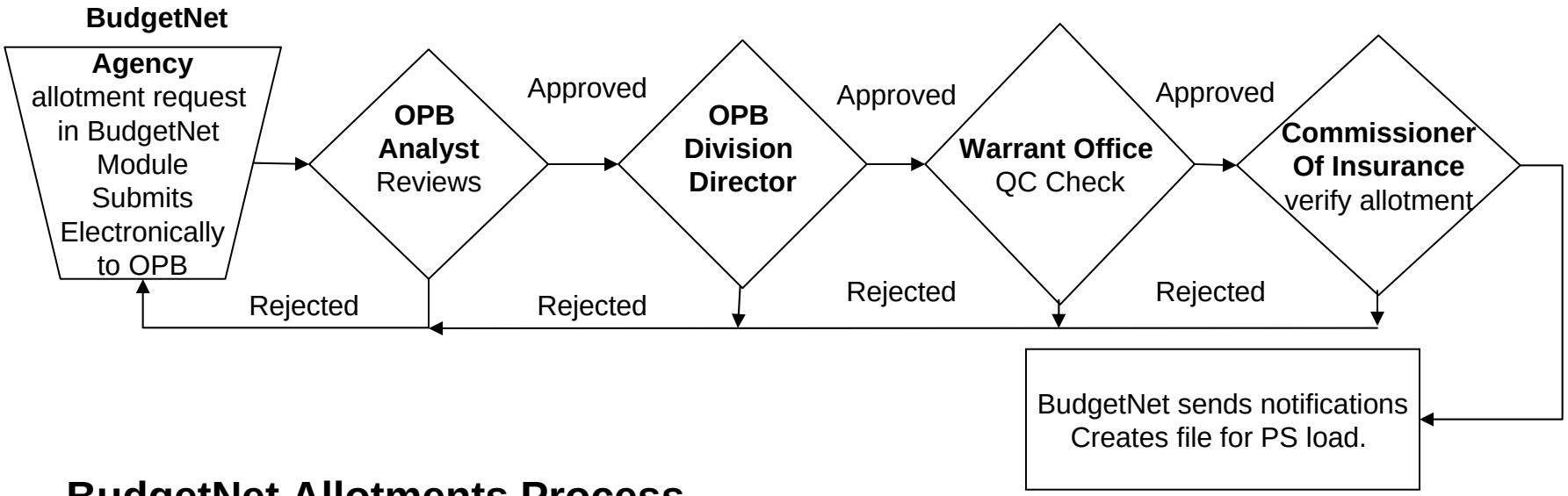
Budget and Accounting Changes

Current Allotment Process



Allotment Process

OPB Allotment Approval Process

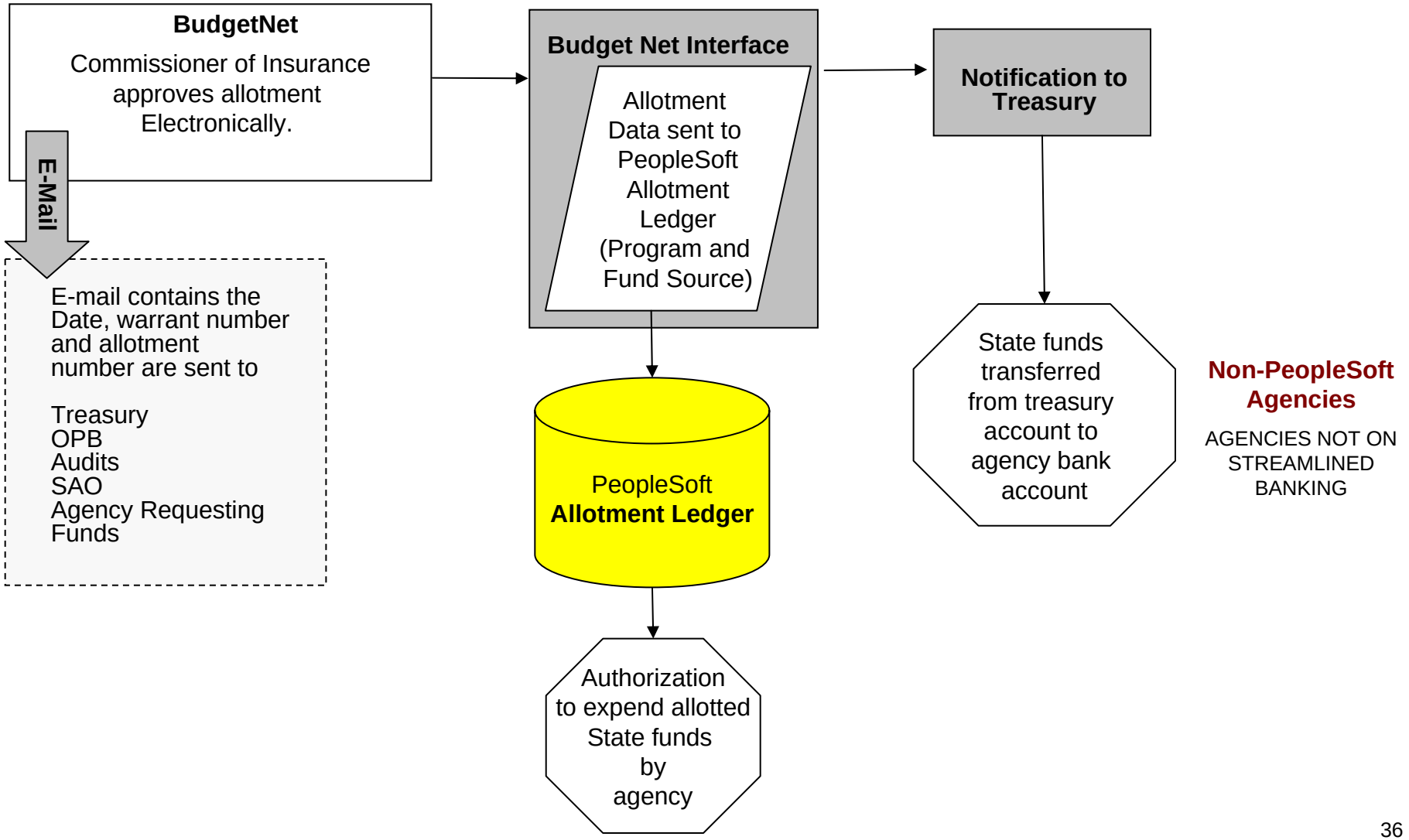


BudgetNet Allotments Process

- The entire allotment process is electronic
- E-mail notifications of work flow
- Data loaded automatically into PeopleSoft

Budget and Accounting Changes

Allotment Process



Allotment Process

- **Agencies <u>not</u> on Streamlined Banking**
  - **Non-PeopleSoft users**
  - **Paper warrant = Cash**
  - **Use BudgetNet Allotment Module for OPB processes to submit, review, and approve allotments. Paper process outside of OPB.**
  - **State funds are set to "track" in the Allotment Ledger in Peoplesoft 8.8**

- Agencies on PeopleSoft and on Streamlined Banking
  - Electronic Warrant = authorization to encumber
  - BudgetNet Module fully used and no paper process.
  - State funds set to "control" in the Allotment Ledger in Peoplesoft 8.8

Allotment Process

Definition of Allotment

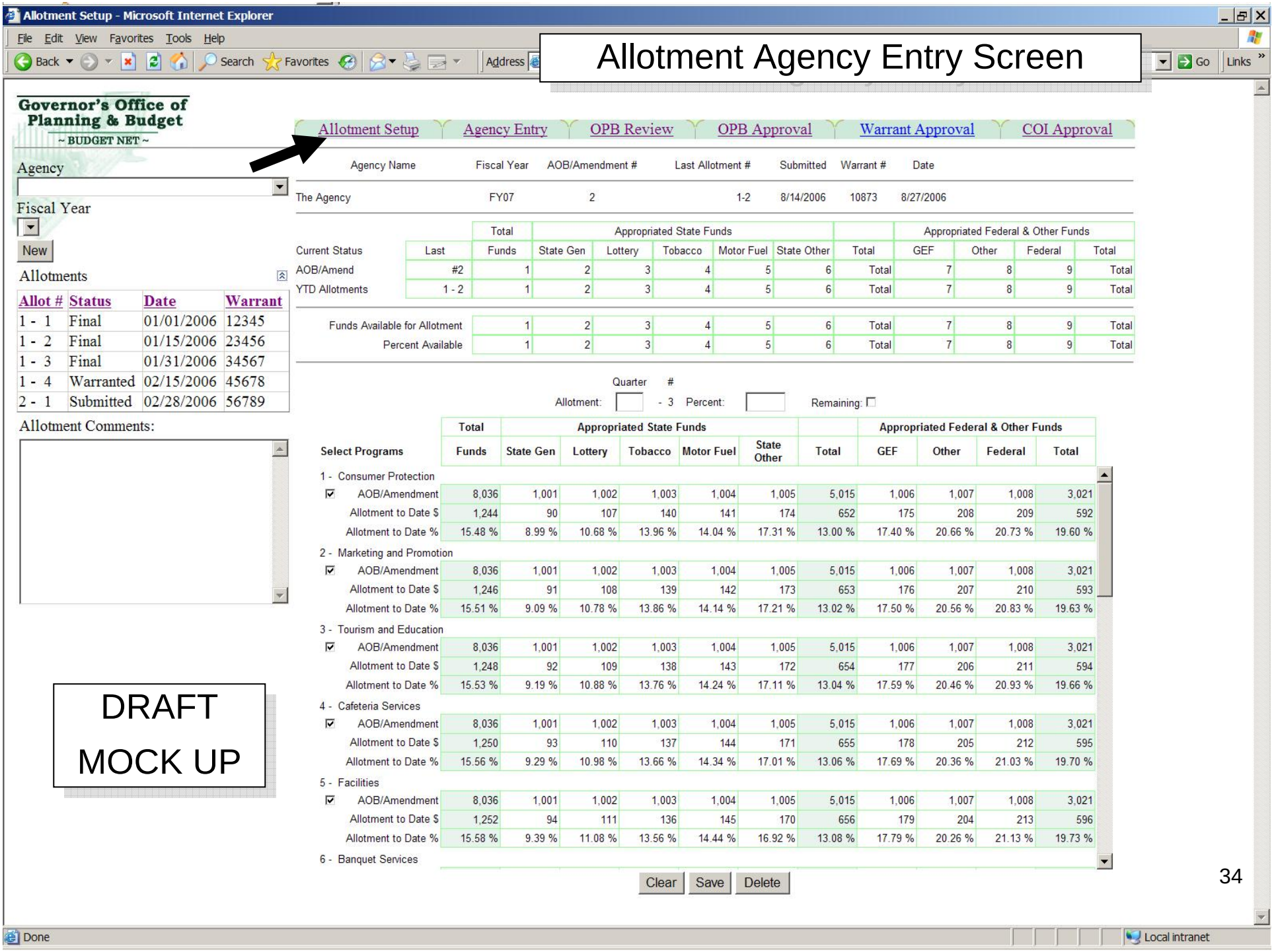
- Current Definition:
  - Allotment is the disbursement of a portion of budgeted state funds in cash from the state treasury to an agency bank account.
- Streamlined Banking Definition:
  - Allotment is the allocation of a portion of budget spending authority

Allotment Process

Allotment Processes in BudgetNet

- Agencies will request allotments by Program and Fund Source
- Agencies will see historical data
- Able to track status of allotment requests
- Request against current/latest AOB
- Training forthcoming by OPB

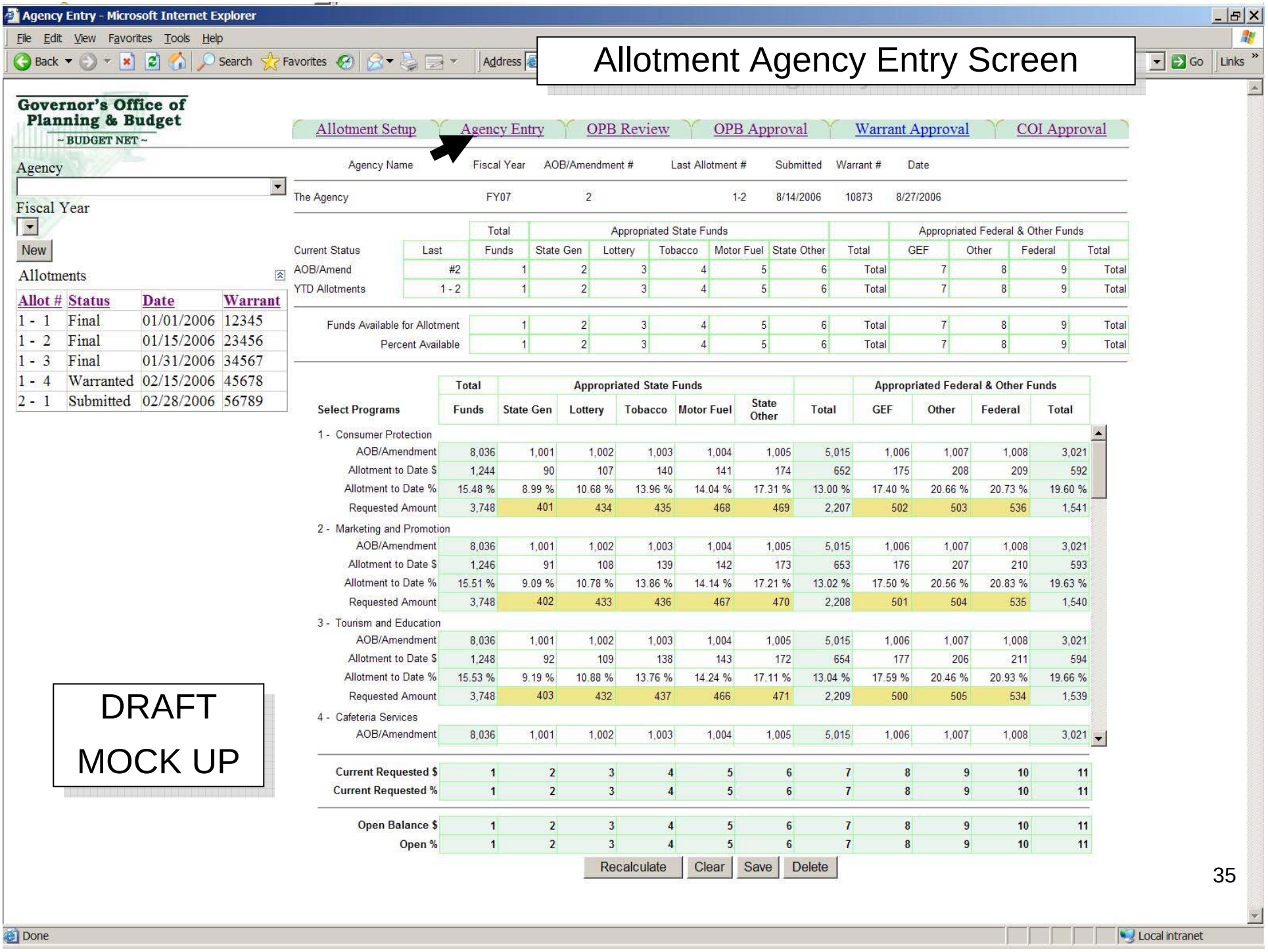
Allotment Agency Entry Screen



DRAFT

MOCK UP

Allotment Agency Entry Screen



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FY07 Budget Timeline – Program and Allotment Budgets

	Activity	Responsible	Date
1	Enter AOB (Program budgets) in BudgetNet	Agency	5/1-5/31
2	Submit FY07 Q1 Allotment Request to OPB	Agency	5/1-5/31
3	Approve Program Budgets and Allotment Requests	OPB	5/1-6/10
4	Authorize FY07 Q1 Allotment Requests	Comptroller	6/1-6/15

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